

## Incremental Uncommitted Energy Efficiency

Energy Economics, Inc./TURN appreciates the opportunity to comment on recent documents related to incremental uncommitted energy efficiency (IUEE). We would like to point out that we have been involved in the Track 1 of the Potentials Study and have commented a number of times on the results and overall direction of the study.<sup>1</sup> We will continue to be involved in Track 2 of the study (The Goals Study).

Our general observations on the IUEE report are:

- While the inclusion of Emerging Technology potential in the Mid-Savings Scenario seems to have increased the Mid-Savings estimates to a level that is more in line with Itron's 2009 estimate of potential for energy savings, a substantial discrepancy between the two studies remains for peak demand. TURN concurs with ED's observation that savings estimates from the BBEES in the Itron study are outdated and we will be interested to see how the BBEES contribute to demand savings in Track 2 of the Potential Study. Given that the Potential Study did not model BBEES, it seems inadvisable to simply adjust the Itron BBEES savings estimates as NRDC/DRA suggest and put them back into the IUEE savings figures.
- The data for naturally occurring savings (which we note are higher than the savings from price effects modeled as part of the CEC's Demand Forecast) are interesting. In the first place, the magnitude of naturally occurring savings (NOS) is high, especially in the context of total IUEE savings – by 2022, NOS are estimated to equal two thirds of the total for IUEE. Given that NOS are in addition to IUEE, estimates of this magnitude need to be confirmed. We also note that NOS are heavily dominated by Codes and Standards (NOMAD) estimates – the latter account for four-fifths of total NOS by 2022. There has been some debate about the C&S estimates in the Potential Study but, regardless of the level of C&S savings (and by extension C&S NOMAD savings estimates), the key issue is whether the NOS estimates have been in some way captured by the CEC's modeling process. If they have not, the managed forecast estimates may need to be adjusted. According to the CEC's June 18, 2012 presentation, existing IUEE estimates already have a noticeable impact on the forecast annual growth in kWh use for the electric IOUs; including the NOS estimates (if they are indeed incremental to the IUEE and Demand forecasts) could further reduce consumption estimates. TURN does not have the expertise to assess this situation, but we do strongly recommend that:
  - The reasons for the high NOS estimates, especially the C&S NOMAD estimates, be explored further;
  - Some attempt be made to establish whether the NOS estimates, or what proportion of them, are included in the forecast baseline.

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<sup>1</sup> See for example, Opening Comments of the Utility Reform Network on the Administrative Law Judge's Ruling Regarding 2013-2014 Energy Efficiency Goals, R.09-11-014, January 12, 2012; TURN Post-Workshop Comments to the Energy Division's Energy Savings, Goals, and Potentials Meeting, October 11, 2011; TURN Comments on Project to Conduct Analysis to Update Energy Efficiency Potential, Goals and Targets for 2013 and Beyond, August 10, 2011.